

## Message Text

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PAGE 01 ALGIER 02994 261703Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07  
PA-01 PRS-01 /112 W  
-----261705Z 125531 /53

R 261645Z DEC 76  
FM AMEMBASSY ALGIERS  
TO SECSTATE WASHDC 5652  
INFO AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMCONSUL PALERMO  
USMISSION OECD PARIS  
AMEMBASSY ROME  
AMEMBASSY TUNIS

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E.O. 11652: N/A  
TAGS: EFIN, ENRG, ETRD, AG, IT, TS  
SUBJECT: ALGERIA/ITALY GAS PIPELINE PROJECT REPORTED SHELVED

REF: ALGIERS 2583 (NOTAL)

1. BEGIN UNCLASSIFIED: OFFICIAL DAILY EL MOUDJAHID FOR DECEMBER 25 REPORTS THAT SONATRACH AND ITALIAN HYDROCARBON GROUP ENI HAVE DECIDED TO DROP ALGERIA/TUNISIA/ITALY GAS PIPELINE PROJECT AND OPT FOR LNG SOLUTION. LNG CONTRACT REPORTED TO CALL FOR 8.5 BILLION CUBIC METERS A YEAR FOR 20 YEARS FROM 1982. LNG TO BE LOADED AT SKIKDA. END UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE: ITALIAN EMBASSY SOURCE CONFIRMS SHELVING OF PIPELINE PROJECT. SOURCE SAYS  
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Pipeline was the most economic solution to delivery problem and posed no insurmountable technical difficulties but negotiations with Tunisia broke down for political reasons. (He mentioned Bourguiba's irritation over frequent Algerian verbal attacks on him. Tunisian charge here told us main stumbling block was question

OF "TUNISIAN SOVEREIGNTY OVER PIPELINE" ON TUNISIAN TERRITORY.) ITALIAN SOURCE SAYS LNG WILL HAVE TO COME FROM NEW PLANT NOT YET ON DRAWING BOARD.

3. COMMENT: AS REFTEL POINTS OUT , ALGERIA HAS ALREADY CONTRACTED FOR SALES OF SOME 75 TO 78 BILLION CUBIC METERS OF LNG PER YEAR. MAXIMUM LIQUEFACTION CAPACITY PRESENTLY PROJECTED IS 79.5, SO ADDITIONAL LIQUEFACTION FACILITIES WILL BE NEEDED TO SUPPLY ITALY IF EXISTING SALES CONTRACTS ALL RESULT IN ACTUAL SHIPMENT OF THE FULL AMOUNTS IN THE CONTRACTS. THE 1982 DATE SEEMS OPTIMISTIC IN VIEW OF TRACK RECORD OF BUILDING LNG PLANTS IN ALGERIA.

LYNE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ALGIER02994  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760472-0578  
**From:** ALGIERS  
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**Line Count:** 76  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 ALGIERS 2583  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALGERIA/ITALY GAS PIPELINE PROJECT REPORTED SHELVED  
**TAGS:** EFIN, ENRG, ETRD, AG, IT, TS, TENNECO, SONATRACH  
**To:** STATE  
**Type:** TE  
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